



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION III
1650 Arch Street
Philadelphia, Pennsylvania 19103-2029

August 7, 2014

Mr. Tim Oknefski
ARG Resources, Inc.
285 Custom Lumber Lane
Kane, PA 16735

Re: MI failure - PAS2R208AELK - Kane Water Flood
Highland #071, API 37-047-20721

Dear Mr. Oknefski:

The demonstration and maintenance of a well's mechanical integrity is one of the primary regulatory controls imposed by the UIC program. The owner/operator of an injection well is responsible for ensuring that the well is operated with mechanical integrity. A well is considered to have integrity if there is no significant leak in the casing, tubing and packer, and there is no significant fluid movement into an Underground Source of Drinking Water through vertical channels adjacent to the injection well bore. Any failure in well mechanical integrity is a violation of the UIC program requirements at 40 CFR Parts 144.12, 144.28 (g)(2)(iv)(A) and 146.8 and requires prompt action. The well must be immediately shut in and injection cannot resume until corrective action has been completed and a successful mechanical integrity test has been conducted.

You have provided this office with the required 24 hour verbal notification and the 5 day written notification that the well stated above failed mechanical integrity on July 29, 2014 and was shut in. The EPA UIC field inspector, Dave Rectenwald, has also been notified by your office of the mechanical integrity failure. You must now either perform the necessary rework and demonstration of mechanical integrity, or plugging and abandonment in accordance with your EPA approved P&A plan, within 90 days of the failure. Please notify the EPA UIC field inspector prior to commencing any work.

We appreciate your cooperation in this matter. If you have any questions, contact Maria Conicelli at (215) 814-5465.

Sincerely,

Maria Conicelli

for Karen D. Johnson, Chief
Ground Water and Enforcement Branch

cc: David Rectenwald